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ABSTRACT

In the United States, job training programs tend to be categorized as either privately sponsored career advancement for valued employees or publicly funded employment remediation for disadvantaged workers. Findings of two federally mandated surveys that regularly asked nearly identical samples whether they had received job or job-related training show the extent to which the dichotomy between private and public training has distorted information and communication about job skills and training opportunities. One survey concludes that two of three workers have received training; the other reports three of four workers have not. The Current Population Survey implies that training is a positive vehicle for career enhancement; the Survey of Income and Program Participation's questions immediately follow the mention of federal income-maintenance programs. On the central question of who gets trained, private and public training programs are diametrically opposed. The workers most likely to receive employer-sponsored training are mature, well-educated, proven professional and managerial employees. Too many private-sector programs are weak on technical training, a priority that public programs are more likely to pursue. Closing the gap between private and public training requires a continuum of job-connected training options available not only to unskilled and highly skilled workers, but also to the broad middle segment of the nation's labor force. In practical terms, credentials may be the key to training reform. (YLB)

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Challenge: To develop a clear picture of when and why employers and their employees invest in the acquisition of work-related skills.

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	What does the research tell us?	How can policy address it?
Firms	Too often, firms view training as part of their "human resources package," rather than as an investment in the skills acquisition of their employees.	Make clear, when asking firms to report their investment in skills acquisition, the distinctions between formal and informal training and between behavioral and job-specific training.
Workers	Workers have little sense of when or why they are being trained—which often leads to conflicting estimates of both personal and employer investments in work-related education or training.	Recast and refocus national surveys detailing employer and employee investments in work-related education and training.

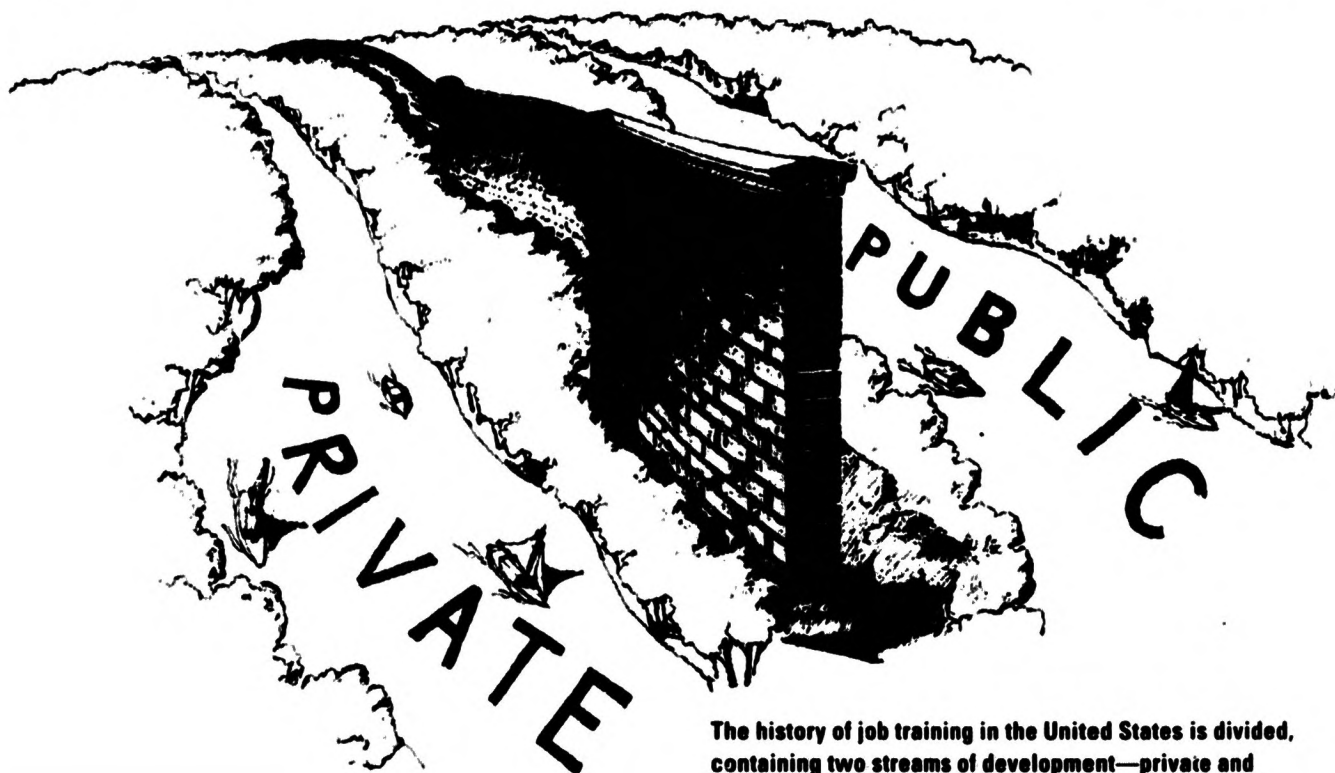


Closing the Gap: Private and Public Job Training

In the United States, training's pot has begun to boil. Everyone has an opinion on how job training can ensure the nation a skilled workforce. And yet—as both a word and a concept—training still lacks intrinsic meaning for the American workforce. The American culture of work, the gulf between formal education and job experience, the indirect ways in which most workers identify and acquire job skills, the kinds of demands managers do

and do not place on their employees all combine to rob training of the clearly defined character it enjoys in other countries.

Beneath this surface of confusion, however, lies a deeper structure—and, in that sense, a better, more comprehensive answer. It is not that training has no meaning in the American setting; rather, it has two meanings. The history of job training in the United States is, in fact, divided, containing two streams of development—private and public—each with its own definitions and values. For this reason, Americans tend to sort job-training programs into one of two piles: privately sponsored career advancement for valued employees; or publicly funded employment remediation for disadvantaged workers. Deeply rooted in the policies and practices of the last forty years, these stereotypes remain largely unac-



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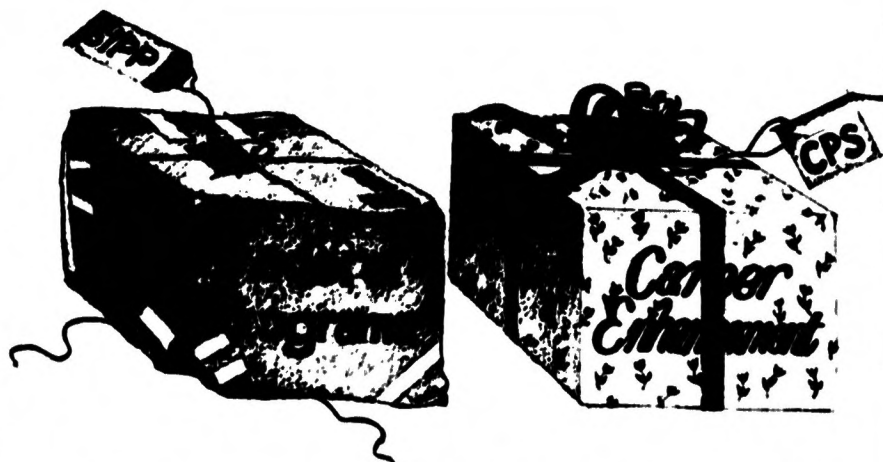
knowledge, submerged in the public mind even as they play havoc with efforts to reform and expand job training in the United States. Moving beyond these contradictory assumptions about training means addressing three questions.

- To what extent has the dichotomy between private and public training distorted information and communication about job skills and training opportunities?
- How has the separation of private and public job training affected American workers and the firms that employ them?
- What changes need to be made to close the gap between private and public job training in the United States?

Communication

The perceived importance of job training continues to grow, yet efforts to take stock—to analyze the ways American workers acquire and upgrade work-related skills—remain curiously stalled. Attempts to summarize basic survey data have been stymied by wildly conflicting results. Beginning in 1983, for example, two federally mandated surveys regularly asked nearly identical samples of the population whether or not they had received job or job-related training: while one survey concluded that two out of every three workers had received training, the other reported that three out of four workers had not.

To unravel the riddle of these findings is instructive, for it shows how contradictory attitudes about training can unintentionally sabotage even the simplest of conversations about amassing work-related skills. The two surveys in question were the Special Training Supple-



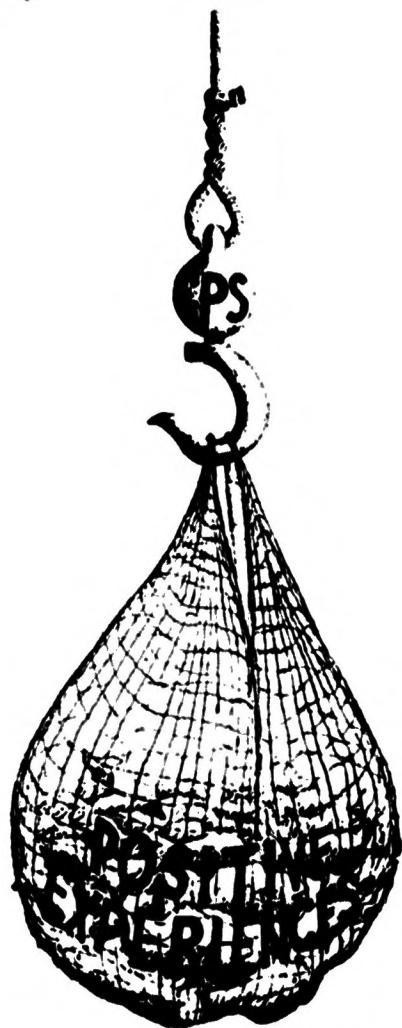
Differences in measurements of training lie in the context of survey questions: CPS implies that training is a positive vehicle for career enhancement; SIPP's questions immediately follow the mention of federal income-maintenance programs.

ment to the U.S. Current Population Survey (CPS) and the Survey of Income and Program Participation (SIPP). Both CPS and SIPP sampled the entire non-institutionalized population of the United States, and both were administered by the Department of Commerce's Bureau of the Census. In each case, subsequent administrations bore out each survey's initial findings.

Could differences in wording account for differing results? The two surveys pose questions about training in virtually the same way, asking respondents whether they needed training to obtain their current jobs or to improve their job skills. Definitions also match, as the two surveys include nearly identical listings of activities that could qualify as training.

Which groups of the population—based on age, gender, education, and income—were most likely to report participation in training? Here the findings were as revealing as they were surprising and contradictory. On the CPS survey, it was the compounding effect of additional education and higher income that most dramatically increased the odds of receiving training. Put simply, the

more schooling and the higher the income, the greater the likelihood of receiving training. Nearly the opposite was true for the second survey; increases in education did not yield an increase in training, and income had only a muted impact. In direct opposition to the CPS findings, the SIPP data indicated that possessing a college education actually decreased the odds of receiving job training.



CPS training questions are tightly bundled with questions about labor force activity, leaving little doubt that the survey casts its net in search of experiences that promote successful job performance.

Why? The key lies not in the questions asked but in the context of the surveys themselves. The CPS Training Supplement was an add-on to a monthly Commerce Department survey that focused attention on the employees' status and occupation and the nature of their employing firm. The survey took less than twelve minutes to complete. Seeking a much broader range of information, the SIPP survey required upwards of thirty-five minutes per subject. Specific queries on training came near the end of the questionnaire, immediately following a series of questions about food stamps, social security, and federal income maintenance programs such as CETA and JTPA.

Linking these differences in survey context to the observed differences in education variables shows just how choosy educated people are about the company they keep. SIPP is designed to measure participation in a host of federal programs, most of which are associated, in the minds of middle-income and upper-income Americans, with poor people on welfare. Over the course of the interview, training became tied to a set of government programs that held little personal appeal for the better educated, more affluent members in the sample. This inverted relationship between education and publicly sponsored training reflects the negative image most Americans attach to welfare programs, even though the respondents were being asked about job-related training that had little to do with welfare.

The same logic worked in reverse for the CPS survey. Its references to economic issues and employment histories cued respondents to interpret training as a positive vehicle for career enhancement. Though references to federally sponsored programs abounded, they were tightly bundled with questions about labor force activity, leaving little doubt that the survey was casting its net in search of those experiences that promote successful job performance.

The hard truth is that neither survey answers the questions that the survey designers set out to answer; neither provides reliable estimates of the general incidence of training or its particular distribution among advantaged and disadvantaged populations. What the two surveys do inadvertently measure is the communication gap created by the separation of public and private job training in America.

Viewed in this way, the contradictory findings of the two surveys make perfect sense: one taps into the common wisdom about private-sector training, while the other, in an equally unplanned way, triggers reactions to publicly sponsored training.

Consequences

Like the surveys themselves, the nation's dual training system evolved largely in response to unacknowledged assumptions about the proper roles of private enterprise and public policy. In the private sector, the customs of American firms have always shaped how people learn to work. After World War II, large firms began developing in-house training programs for their employees. Today most major firms offer some form of training, and many smaller, high-tech companies provide a variety of off-site opportunities for their most skilled employees to learn new techniques and applications. Even in these settings, however, job training is generally viewed as expendable, particularly during periods of economic decline.

Over the years a second and separate training establishment has evolved through the action of public policy. Federal legislation has created an alphabet soup of government initiatives—MDTA, CETA, JTPA, and TAA, to name the best known. Like training efforts in the private sector, these programs have lacked effective leadership, often becoming fragmented or redundant, have



Over the years, federal legislation has created an alphabet soup of government initiatives.

proven to be wasteful, and frequently have fallen victim to a shift in political winds.

Both approaches to training are in fact incomplete. On the central question of who gets trained, private and public training programs are diametrically opposed. If there is a single theme that emerges from the diverse efforts of American business, it is a belief in training the trained—investing in skilled employees who already have demonstrated their value to the firm. The workers who are most likely to receive employer-sponsored training are mature, well-educated, proven professional and managerial employees. On the surface, it would seem that publicly funded training programs are meeting the unmet need by targeting less skilled workers for training.

Yet this artificial division of responsibility actually has impeded rather than promoted progress toward the

twin goals of economic vitality and equal opportunity. For the most part, publicly sponsored training has taken place outside of the workplace, with little direct reference to the business and training practices of individual firms. As a result, many public programs have fallen short of their original intentions, offering limited social amelioration rather than full labor force participation.

Employer-sponsored programs generally tie training more closely to job requirements and career develop-



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ment. Trainees can reasonably expect to apply newly acquired skills either in the jobs they already hold or in positions to which they aspire. In this context, training also serves a signaling function, communicating an employee's readiness for additional responsibility or the employer's willingness to consider promotion.

Despite these advantages, the potential of employer-sponsored training has been stunted by its separation from the public sector. Too often, limiting training to well-educated professional and managerial employees has produced an inordinate emphasis on "soft" behavioral skills such as public relations, supervision, or professional development. Too many private-sector programs are weak on technical training, a priority that public programs—with their focus on practical job skills—are more likely to pursue.

Neither public nor private programs have adequately addressed the needs of workers in new technical crafts—computer programmers, medical technicians, paralegals, engineering technicians, to name just a few. Demand for skilled white-coat technicians continues to grow, yet their training needs are slipping through the cracks between public and private providers. Lacking clearly defined career paths and credentials, these workers often are trained by low-cost vendors, including community colleges and proprietary schools, that grant certificates of uncertain value.

The emergence of new, middle-class technical occupations is only one aspect of ongoing, global changes in the world of work. In the years ahead, the demand for competent, adaptable workers—well trained in technical as well as behavioral skills—will continue to grow. Employers who, until now, could reserve their training for managerial employees will need to equip front-line workers to handle computer-integrated manufacturing or information-based services.

In short, American business can no longer afford to ignore that portion of the labor force that currently is served by public training programs. By reaching out to the public sector, private employers gain the workers they eventually will need to stay in business, as well as the technical training those workers increasingly will require.

Changes

These assumptions and presuppositions have held sway for years, but they are not written in stone. Growing interest in both the educational quality of the workforce and the shifting relationship among jobs, skills, and training is creating new potential for change. The idea is not to substitute private for public training or vice versa: both modes of training have, in fact, gotten some things right. In many cases limited to behavioral skills, employer-sponsored training can learn from public programs that stress practical application of technical skills. For their part, public training programs need stronger links to the workplace and a better understanding of training's role in the job-related signals exchanged by employers and employees.

Closing the gap requires a continuum of job-connected training options available not only to unskilled and highly skilled workers, but also to the broad middle segment of the nation's labor force, including workers in new

technical crafts. In practical terms, credentials may be the key to training reform. Growing interest in performance standards for secondary and higher education could lead the way for a similar reordering of training requirements. Just as a high school or college diploma should warrant the acquisition of certain predefined skills, comparable credentials should vouch for measurable competencies gained through accredited private or public training programs.

Creating a national system of transportable credentials could facilitate skills acquisition and occupational mobility not only for individuals at either end of the socio-economic spectrum but also for technicians and other front-line workers in the often-neglected middle segment of the nation's labor force. The problem with most proposals for achieving transportable credentials is that they require the creation of an elaborate, most likely cumbersome, bureaucracy that would spend most of its time debating national standards, not administering them. Would a simple idea, borrowed from education, work? Could educational and training certificates that report successful work and learning experiences be issued by employers?

Only by drawing together public and private resources—making training for all workers job-connected and skill-based—can the stubborn limitations of each sector's programs be overcome. It is an imposing, but not impossible, challenge. As built-in barriers and stereotypes begin to crumble, American firms and the workers they employ can reasonably look forward to a time when effective, job-connected skills training—certified nationwide through a network of locally-based private and public suppliers—proves itself to be a vision grounded in reality.

—Robert Zemsky and Penney Oedel



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Upcoming EQW ISSUES

This *EQW ISSUES* is the second in a series of five to appear over the next five months, all of which represent the results of a year-long intensive research effort by EQW. The next three topics will include:

- the effect of workforce changes on higher education;
- the behavioral skills gap; and
- school inputs and labor market outcomes.

The National Center on the Educational Quality of the Workforce

EQW is a partnership between one of this nation's premier business schools and one of its leading graduate schools of education. Established by the University of Pennsylvania's Wharton School and Graduate School of Education under a cooperative agreement with the U.S. Department of Education, EQW's program of research and policy analysis takes as its principal challenge the renewal of American competitiveness through leveraged investments in the quality of the nation's workforce.

The EQW research agenda focuses on four broad questions:

1. What do employers need to know to better use the skills their workers bring with them and acquire in the workplace?
2. How can schools and other providers become more effective suppliers of skilled and disciplined workers?
3. How can workers develop more complete skills portfolios that combine the competencies and disciplines a productive economy requires?
4. What is the best role for public policy in the development of a work-related education and training market that efficiently links consuming firms, supplying schools, and educated workers?

The Research Connection

Each *EQW ISSUES* grows out of the Center's linking of research and practice. The process involves the identification of a key issue or problem and the investigation, through research, of its solution.

The research for this issue included the following:

- National Center on the Educational Quality of the Workforce (EQW). 1992. *A Crosswalk of National Data Sets Focusing on Worker Training*. Philadelphia, PA: EQW.
- National Center on the Educational Quality of the Workforce (EQW). 1993. *Statistical Companions to the Crosswalk of National Data Sets Focusing on Worker Training*. Philadelphia, PA: EQW.
- Zemsky, Robert and Martin Meyerson. 1981. "Training Practices: Education and Training within the American Firm." Philadelphia, PA: Higher Education Finance Research Institute, University of Pennsylvania.
- Zemsky, Robert and Daniel Shapiro. 1991. "On Measuring a Mirage: Why U.S. Training Numbers Don't Add Up." Philadelphia, PA: EQW.

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